

**Grayfield Redevelopment and Economic Advancement Through Effective Repurposing (GREATER)
Revitalization of Shopping Centers Act of 2021**

Original Cosponsor: Rep. Emanuel Cleaver (D-MO)

Endorsing Organizations: National Development Council, International Council of Shopping Centers

Background

Even before the COVID-19 pandemic, shopping centers faced serious challenges in the form of increasing reliance on e-commerce among consumers. Accordingly, [some analysts predict](#) that within 3-5 years, 25% of the nearly 1,200 shopping centers across the United States will close.

[Case studies](#) have shown how shopping malls can be successfully repurposed and revitalized to become drivers of growth and revenue in their community. From mixed use developments to [Amazon fulfillment centers](#) to [health and corporate office facilities](#) as new-era mall anchors, there are a variety of options for shopping center site revitalization and redevelopment. All of these options require significant investment from both public and private stakeholders. Many of these projects involved significant public investment on the front end in the form of investments in infrastructure, financial incentives, and streamlining the process for investors in order to attract the necessary private funds to put redevelopment plans into action.

The Solution

The *Grayfield Redevelopment and Economic Advancement Through Effective Repurposing (GREATER) Revitalization of Shopping Centers Act of 2021* builds on a proven model of grant subsidies in conjunction with the Section 108 Loan Guarantee Program to incentivize public and private investment in abandoned and underutilized shopping malls. The [Section 108 Loan Guarantee Program](#) provides communities with a source of low-cost, long-term financing for economic and community development projects which has proven effective in catalyzing additional investments in projects. The Department of Housing and Urban Development has [found](#) that for every \$1 of Section 108 funds invested in a project, localities secured an average of \$4.62 additional investment in a project.

Grant subsidies have previously been provided in conjunction with Section 108 loans through the Economic Development Initiative program during the 1990s, with the results indicating these grant subsidies [greatly enhanced utilization of the program](#). Throughout the first 17 years of the Sec. 108 loan guarantee program, the Department made 623 loan commitments totaling just under \$2.2 billion. In the first two years of EDI, in 1995 and 1996, 307 loan commitments were made for almost \$2.3 billion.

The *Grayfield Redevelopment and Economic Advancement Through Effective Repurposing, (GREATER) Revitalization of Shopping Centers Act of 2021* would authorize grant subsidies in conjunction with Section 108 loans seeking to revitalize/redevelop abandoned and underutilized shopping malls. This means local governments like Gwinnett and Forsyth Counties will have access to more capital to invest in these transformative development projects and drive economic growth and job opportunities in suburban communities.

Specifically, the bill would:

- Authorize \$50 million per year in Fiscal Years 2022 and 2023 for grant subsidies in conjunction with Section 108 loans
- Help malls that are 30% or less occupied or have two vacant anchor stores and occupy 30 acres or more and have no less than 40 individual storefronts in the mall.
- Encourage projects which promote transit-oriented development, the reclaiming and re-use of grayfields, development of affordable housing, and removal of existing grayfield infrastructure
- Prioritize grant applications which reflect extensive community engagement, benefit lower-income, underserved communities, and include substantial local match commitments
- Permit the use of funds to obtain technical assistance from local qualified service providers regarding how to leverage Section 108 and grant subsidy funds with other assistance, such as New Markets Tax Credits program and other State assistance, tax credits, and incentives